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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/685,079	10/06/2000	Jay S. Walker	00-039	3152
22927 7590 05/29/2007 WALKER DIGITAL MANAGEMENT, LLC 2 HIGH RIDGE PARK STAMFORD, CT 06905			EXAMINER CHAMPAGNE, LUNA	
			ART UNIT 3627	PAPER NUMBER
			MAIL DATE 05/29/2007	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary**

Application No.

09/685,079

Applicant(s)

WALKER ET AL.

Examiner

Luna Champagne

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on 08 February 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-36 and 38-54 is/are pending in the application.
- 4a) Of the above claim(s) 3, 8, 10-12 and 40-54 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 2, 4-7, 9, 13-36, 38, 39 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

**DETAILED ACTION**

***Election/Restrictions***

1. Applicant's election with traverse of claims 1, 2, 4-7, 9, 13-36, 38 and 39 in the reply filed on 02/08/2007 is acknowledged.

Applicant argues that the Examiner has not provided reasons for the requirement. The species requirement has been reviewed and deemed proper and therefore made FINAL.

Claims 3, 8, 10-12, 40-54 are withdrawn from further consideration.

***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1, 33, 36, and 38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Columbia House

(<http://web.archive.org/web/19961224105735/www.columbiahouse.com/repl/mc/tmpls/join/i>), in view of Bradt et al. (4,839,505).

As per claims 1, 33, 36, and 38, Columbia House teaches a method/ an apparatus/ a medium storing instructions of facilitating a transaction between a

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customer and a merchant, comprising: arranging, via a processing device, for a benefit to be applied to the transaction in exchange for a task by the customer (*buy a minimum of 6 more albums over the next three years at regular Club prices*), the benefit comprising a subsidy and the task being associated with a subsidy provider, and wherein the benefit is applied to the transaction before performance of the task by the customer; before verifying performance of the task by the customer, applying the benefit to the purchase (*bonus CD or cassette FREE*)

Columbia House fails to teach a method of arranging for the customer to provide a security deposit; and arranging for the security deposit to be returned to the customer based on the performance for the task; receiving an indication a customer is interested in purchasing an item from a merchant; receiving a payment identifier from the customer; verifying the performance of the task by the customer.

However, Bradt et al. teach a method of arranging for the customer to provide a security deposit (*See, e.g. col. 33, lines 36-37*); and arranging for the security deposit to be returned to the customer based on the performance for the task (*See, e.g. col. 25, lines 19-21*); receiving an indication a customer is interested in purchasing an item from a merchant (*See, e.g. col. 10, lines 64-68*); receiving a payment identifier from the customer (*credit card – see col. 7, lines 59-61*); verifying the performance of the task by the customer (*See, e.g., col. 25, lines 6-19*).

Therefore, it would have been obvious to a person of ordinary skill in the art, at the time of the invention, to modify Columbia House, by arranging for the customer to provide a security deposit and arranging for the security deposit to be returned to the

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customer based on the performance of the task; receiving an indication a customer is interested in purchasing an item from a merchant; receiving a payment identifier from the customer; verifying the performance of the task by the customer, as taught by Bradt et al., in order to guarantee the performance of the task.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 2, 4-7, 9, 13-36, 38, are rejected under 35 U.S.C 103(a) as being unpatentable over Bradt et al. (4,839,505) in view of Columbia House

(<http://web.archive.org/web/19961224105735/www.columbiahouse.com/repl/mc/tmpls/join/i>).

As per claims 1, 33, 36, and 38, Bradt et al. teach a method/ an apparatus/ a medium storing instructions of arranging for the customer to provide a security deposit (See, e.g. col. 33, lines 36-37); and arranging for the security deposit to be returned to the customer based on the performance for the task (See, e.g. col. 25, lines 19-21; receiving an indication a customer is interested in purchasing an item from a merchant (See, e.g. col. 10, lines 64-68); receiving a payment identifier from the customer (credit

*card – see col. 7, lines 59-61); verifying the performance of the task by the customer (See, e.g., col. 25, lines 6-19).*

However, Bradt et al. fail to teach a method/ an apparatus/ a medium storing instructions of facilitating a transaction between a customer and a merchant, comprising: arranging, via a processing device, for a benefit to be applied to the transaction in exchange for a task by the customer, the benefit comprising a subsidy and the task being associated with a subsidy provider, and wherein the benefit is applied to the transaction before performance of the task by the customer; before verifying performance of the task by the customer, applying the benefit to the purchase

Columbia House teach a method/ an apparatus/ a medium storing instructions of facilitating a transaction between a customer and a merchant, comprising: arranging, via a processing device, for a benefit to be applied to the transaction in exchange for a task by the customer, the benefit comprising a subsidy and the task being associated with a subsidy provider, and wherein the benefit is applied to the transaction before performance of the task by the customer; before verifying performance of the task by the customer, applying the benefit to the purchase (*bonus CD or cassette FREE*)

Therefore, it would have been obvious to a person of ordinary skill in the art, at the time of the invention, to modify Bradt et al., by facilitating a transaction between a customer and a merchant, comprising: arranging, via a processing device, for a benefit to be applied to the transaction in exchange for a task by the customer, the benefit comprising a subsidy and the task being associated with a subsidy provider, and wherein the benefit is applied to the transaction before performance of the task by the

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customer; before verifying performance of the task by the customer, applying the benefit to the purchase, as taught by Columbia House, in order to attract customers and have them committed into buying more from a vendor.

As per claim 2, it is noted that Bradt et al. teach a method wherein the transaction comprises a purchase by the customer of at least one of: (i) an item. (ii) a product; and (iii) a service (*See, e.g. col. 7, lines 40-41*).

As per claim 4, Bradt et al. teach a method wherein the benefit comprises at least one of: (i) a reduction in an amount of payment provided by the customer; (ii) a supplemental item received by the customer (*free rental with every ten paid rentals*), (iii) a substitute item received by the customer, (iv) an amount of payment received by the customer, (v) a payment of an alternate currency to the customer, (vi) an improved transaction term, (vii) an improved warranty term, and (viii) an improved interest rate term (*See, e.g. col. 12, lines 14-18*).

As per claims 5 and 6, Bradt et al. fail to teach a method wherein said arranging for the benefit to be applied to the transaction comprises: transmitting to the customer an offer to apply the benefit to the transaction in exchange for the future performance of the task by the customer; and receiving from the customer a response to the offer; said transmitting is performed in response to receiving an indication that the customer is interested in purchasing an item.

Columbia House teaches a method wherein said arranging for the benefit to be applied to the transaction comprises: transmitting to the customer an offer to apply the benefit to the transaction in exchange for the future performance of the task by the customer; and receiving from the customer a response to the offer; said transmitting is performed in response to receiving an indication that the customer is interested in purchasing an item (*Offer is posted online or mailed to customer; customer replies when accepting the offer*).

Therefore, it would have been obvious at the time of the invention to modify Bradt et al. by using the recited information, as taught by Columbia House, in order to formerly advertise and have an agreement to process the transaction.

As per claims 7, 9 and 13, Bradt et al. teach a method wherein the security deposit comprises a payment by the customer; a reduction of an amount of credit available to the customer; said arranging for the customer to provide the security deposit further comprises receiving a payment identifier from the customer; and arranging for the customer to provide payment of the security deposit using the payment identifier (*credit card -See, e.g., col. 33, lines 36-48*).

As per claim 14, Bradt et al. teach a method wherein the payment identifier comprises at least one of: (i) a credit card number, (ii) a debit card number, (iii) a bank account number, and (iv) electronic payment protocol information (*See, e.g. col. 7, lines 59-61*).



As per claim 15, Bradt et al. teach a method further comprising determining the benefit (*See, e.g. col. 12, lines 36-41*).

As per claims 16, 17, 19-21, 23, 24, 31 Bradt et al. teach a method wherein said determining is based on information associated with the transaction; the customer; the task (*upon returning the videocassettes*); an indication received from a customer device; an item previously purchased by the customer in the transaction; the merchant; on at least one of: (i) information associated with the provider, and (ii) a customer acquisition rate (*See, e.g. col. 12, lines 1-18; col. 25, lines 2-23*).

As per claim 18, Bradt et al. teach a method wherein the information associated with the customer comprises at least one of: (i) demographic information, (ii) psychographic information, (iii) an address, (iv) a credit rating, and (v) a transaction history (*See, e.g. col. 11, lines 57-60*).

As per claim 22, Bradt et al. teach a method wherein the information associated with the item comprises at least one of: (i) an item price, and (ii) an item category (*See, e.g., col. 11, lines 2-16*).

As per claims 25 - 29, Bradt et al. teach a method wherein said arranging for the security deposit to be returned to the customer comprises: providing a payment to the

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customer; arranging for the subsidy provider to provide a payment to the customer ((See, e.g. col. 25, lines 35-39); transmitting information associated with the transaction to at least one of: (i) the customer, and (ii) the subsidy provider (See, e.g. col. 18, lines 55-58); receiving information associated with the performance of the task from at least one of : (i) the customer, and (ii) the subsidy provider; a method further comprising verifying the received information associated with the performance of the task (See, e.g. col. 25, lines 2-21).

As per claim 30, Bradt et al. teach a method wherein the information associated with the performance of the task comprises a hash value (See, e.g. col. 18, 19).

As per claim 32, Bradt et al. teach a method wherein said receiving comprises receiving the information associated with the performance of the task from the customer in a human-recognizable format (See, e.g., col. 31, lines 49-52).

As per claim 34, Bradt et al. teach an apparatus further comprising: a communication device coupled to said processor and adapted to communicate with at least one of: (i) a customer device, (ii) a controller, (iii) a merchant device, (iv) a subsidy provider device, (v) a benefit provider device, (vi) an escrow service device, and (vii) a payment device (See, e.g., col. 30, lines 52-54).

As per claim 35, Bradt et al. teach an apparatus wherein said storage device further stores at least one of: (i) a customer database, (ii) a task database, (iii) a rebate certificate database, and (iv) a rebate code database (*See, e.g. table I / page 10*)

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claim 39 is rejected under 35 U.S.C. 103(a) as being unpatentable over Bradt et al. (4,839,505), in view of Columbia House, in further view of Official Notice.

*As per claim 39, Bradt et al.*, in view of Columbia House, teach all the elements of the claim except that the benefit comprises a monetary amount equivalent to the security deposit. However, the Examiner takes Official Notice that it is well known in the art, that benefits offered by vendors can be in the form of monetary value as high as, or even higher than, the security deposit.

Therefore, it would have been obvious, at the time of the invention, to a person of ordinary skills in the art to modify Bradt et al. and equate the security deposit to the benefit, in order to attract customers.

***Response to Arguments***

8. Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Luna Champagne whose telephone number is (571) 272-7177. The examiner can normally be reached on Monday - Friday 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Florian Zeender can be reached on (571) 272-6790. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Luna Champagne


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Examiner  
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May 7, 2007

  
**F. RYAN ZEENDER**  
**SUPERVISORY PATENT EXAMINER**